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December 6, 2007

VIA FIRST CLASS MAIL
VIA EMAIL

File No. 029523-0028

Melody A. Kramer, Esq.
Kramer Law Office, Inc.
9930 Mesa Rim Rd., Ste. 1600
San Diego, CA 92121-2910

Re: SRD Trust's Unceasing Allegations of Infringement of
U.S. Pat. No. 4,935,184 against Lexar Media, Inc.

Dear Ms. Kramer:

We write in response to your November 7, 2007 letter.

Our last letters to SRD Trust (addressed to J. Michael Kaler, Esq.) are dated June 28, 2006 and July 21, 2006. As we stated in those letters, Lexar had confirmed the prior, prompt assurances from its suppliers that the accused products were produced by a method that does not infringe the '184 patent. Therefore, Lexar has complied with 35 U.S.C. § 287(b)(5)(c) and cannot be liable for infringement.

As we have also previously stated, Lexar is not obligated to sign a declaration. That is even more apparent where the declaration that you proposed is beyond the scope of the '184 patent. That makes your request even more unreasonable.

As we have further previously stated, Lexar's failure to agree to your demand for a declaration does not give SRD Trust a reasonable basis to pursue a suit for infringement. As we have stated previously, any such suit would violate Rule 11 and would be grounds for finding an exceptional case.

Furthermore, despite our request on more than one occasion, you have never provided any evidence that Lexar's suppliers' statements could be incorrect.

You have requested copies of correspondence with Lexar's two suppliers showing the written assurances that Lexar received. We are conditionally willing to share with you copies of correspondence with the suppliers that evidence their written assurances to Lexar of their use of a noninfringing process. We will do so if you, Mr. Kaler, and SRD Trust agree: (1) to keep

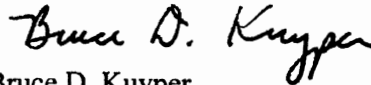
Melody A. Kramer, Esq.
December 6, 2007
Page 2

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them confidential and accessed only by you and Mr. Kaler; (2) to never use them for any purpose other than evaluating SRD Trust's infringement allegations against Lexar concerning the '184 patent; (3) that Lexar has not waived any privileges by sharing them; and (4) that SRD Trust will never claim any waiver as a result of our sharing them.

We continue to consider this matter closed.

Sincerely,



Bruce D. Kuyper
of LATHAM & WATKINS LLP